

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1265 - HB 1216

March 17, 2013

SUMMARY OF BILL: Beginning July 1, 2013, authorizes students attending public higher education institutions, who are receiving a 25 percent tuition discount as children of full-time teachers or certified technology coordinators, to continue to receive the discount in the event their eligible parent retires after 30 years of service.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$23,300/FY13-14

\$24,700/FY14-15

Exceeds \$26,100/FY15-16 and Subsequent Fiscal Years

Assumptions:

- Lost revenue for higher education institutions resulting from the proposed tuition discount will require additional appropriations from the General Fund.
- Based on information received from the Tennessee Higher Education Commission, the University of Tennessee (UT), and the Tennessee Board of Regents (TBR), 21 students will continue to receive a tuition discount in FY13-14 at a TBR institution and 10 students will continue to receive a tuition discount at a UT institution.
- The number of students receiving a tuition discount remains constant in subsequent years.
- In FY13-14, TBR estimates the average tuition discount will be \$673 per student; therefore, an increase in state expenditures of \$14,133 (\$673 x 21).
- In FY13-14, UT estimates the average tuition discount will be \$914 per student; therefore, an increase in state expenditures of \$9,140 (\$914 x 10).
- The total increase in state expenditures in FY13-14 is estimated to be \$23,273 (\$14,133 + \$9,140).
- In FY14-15, TBR estimates the tuition discount will grow by six percent and will be \$713 (\$673 x 106%); therefore, an increase in state expenditures of \$14,973 (\$713 x 21).
- In FY14-15, UT estimates the tuition discount will grow by six percent and will be \$969 (\$914 x 106%); an increase in state expenditures of \$9,690 (\$969 x 10).

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- The total increase in state expenditures in FY14-15 is estimated to be \$24,663 (\$14,973 + \$9,690).
- In FY15-16 and subsequent fiscal years, the increase in state expenditures is estimated to exceed \$26,143 (\$24,663 x 106%).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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